

## FINANCIAL DEPARTMENT OF THE DISTRICT OF COLUMBIA.

APRIL 30, 1884.—Referred to the Committee on Appropriations and ordered to be printed.

Mr. W. L. WILSON, from the Committee on the District of Columbia, submitted the following

### REPORT:

*The Committee on the District of Columbia, to whom was referred the following resolution, offered on the 1st of April by Hon. Mr. Fiedler—*

Whereas it is alleged that the financial departments of the District of Columbia have not been conducted in a proper and business-like manner, and grave doubts exist as to the correctness of the accounts rendered, owing to the loose manner in which the books have been kept; and

Whereas it is charged that the taxes have not been collected in strict conformity to law; therefore,

*Be it resolved*, That the Committee on the District of Columbia be, and they are hereby, authorized to have a thorough examination made of all accounts, &c., appertaining to the finances of the District of Columbia, and they are empowered to send for books and persons, and to employ such expert accountants as they may deem necessary; all expenses arising from said investigation to be defrayed out of the contingent fund of the House of Representatives—

*have had the same under consideration, and respectfully report:*

First. That the methods of book-keeping in the financial departments of the District of Columbia, as introduced by the present auditor on the 1st day of November last, and since enforced, are such as, in the judgment of the committee and of expert accountants consulted by them, will insure correctness in the accounts of those intrusted with the collection and disbursement of public moneys and their ready accountability therefor.

Secondly. That prior to the introduction of these new methods, and extending back for ten or more years, there has been no requirement of law and no provision in practice for securing a final and systematic audit and settlement of the books and accounts of the collector of taxes.

This failure in practice may have been due to imperfect methods of book-keeping, or to a lack of sufficient clerical force, but this it is not necessary to decide.

During these years many millions of dollars of public money have been collected, and the committee are of opinion that it was due both to the tax-payer and to the collector that at regular periods there should have been a full audit and settlement of the accounts of the collector's office. To make such audit and settlement now would require an investigation and an amount of labor beyond the power of this committee to bestow. Yet they believe it should be undertaken and carried forward to completion as rapidly as is consistent with perfect accuracy. The committee find in the appropriation bill for the District of Columbia of March 3, 1883, an appropriation of \$2,500 for temporary clerk-

hire, to enable the auditor, among other things, to audit the books of the collector of taxes. Under that authority the auditor has brought down these books from 1860 to 1865, and he informs the committee that if this appropriation is continued he will, as rapidly as the magnitude of the work and the requirements of accuracy will permit, continue this examination down to the date of the introduction of the new system of book-keeping above mentioned.

As already stated, many millions of dollars have been collected as taxes. The Commissioners of the District of Columbia report that on the 1st day of July, 1883, there were due and unpaid nearly three-quarters of a million of dollars of delinquent taxes, and of special-assessment taxes over one million and a half.

It is clear, without reflecting upon any one, that officers charged with administering such immense sums of public money should, at regular and frequent intervals, be required to balance their accounts and make such exhibit and settlement thereof as will satisfy all interested that they have faithfully accounted for every dollar with which they are legally chargeable.

The books yet unaudited cover the transactions of half a score or more years, many of them years of heavy taxation and extraordinary revenues. This committee could not undertake to examine them, even by calling to its assistance competent experts; but they believe that this very necessary work should be done, and that it can now be most efficiently and economically continued on the basis already laid down by the auditor. They accordingly recommend that the Committee on Appropriations be authorized and directed to add to the appropriation bill for the District of Columbia, already reported to the House, a provision of the same tenor and effect as the item in the bill of last year, making an appropriation of the necessary amount for temporary clerk hire to enable the auditor to audit the books of the collector of taxes, and that the auditor be authorized and directed to continue such audit on the basis of the examination and audit already made and verified until the same is completed, and to report the result thereof from time to time to the Commissioners for the information of Congress.

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